

# COMMITTEE REPORT

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## MADAM PRESIDENT:

**The Senate Committee on Economic Development and Technology, to which was referred House Bill No. 1774, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:**

- 1       Page 1, delete lines 1 through 15, begin a new paragraph and insert:
- 2       "SECTION 1. IC 5-1.5-1-8 IS AMENDED TO READ AS
- 3       FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. "Qualified
- 4       entity" means:
- 5       (1) a political subdivision (as defined in IC 36-1-2-13);
- 6       (2) a state educational institution (as defined in
- 7       ~~IC 20-12-0.5-1(b))~~; **IC 20-12-0.5-1**);
- 8       (3) a leasing body (as defined in IC 5-1-1-1(a));
- 9       (4) a not-for-profit utility (as defined in IC 8-1-2-125);
- 10       (5) any rural electric membership corporation organized under
- 11       IC 8-1-13;
- 12       (6) any corporation that was organized in 1963 under Acts 1935,
- 13       c. 157 and that engages in the generation and transmission of
- 14       electric energy;
- 15       (7) any telephone cooperative corporation formed under
- 16       IC 8-1-17;
- 17       (8) any commission, authority, or authorized body of any qualified
- 18       entity;
- 19       (9) any organization, association, or trust with members,
- 20       participants, or beneficiaries that are all individually qualified
- 21       entities;

- (10) any commission, authority, or instrumentality of the state;
- (11) any other participant (as defined in IC 13-11-2-151.1);
- (12) a charter school established under IC 20-5.5 **(before its repeal)** that is not a qualified entity under IC 5-1.4-1-10; ~~or~~
- (13) a volunteer fire department (as defined in IC 36-8-12-2); **or**
- (14) a development authority (as defined in IC 36-7.6-1-8).**

SECTION 2. IC 5-1.5-4-1, AS AMENDED BY P.L.192-2006, SECTION 1, AND AS AMENDED BY P.L.2-2006, SECTION 10, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The bank may issue its bonds or notes in principal amounts that it considers necessary to provide funds for any purposes under this article, including:

- (1) the purchase or acquisition of securities;
- (2) the making of loans to or agreements with qualified entities through the purchase of securities;
- (3) the payment, funding, or refunding of the principal of, or interest or redemption premiums on, bonds or notes issued by it whether the bonds or notes or interest to be paid, funded, or refunded have or have not become due; ~~and~~
- (4) the establishment or increase of reserves to secure or to pay bonds or notes or interest on bonds or notes and all other costs or expenses of the bank incident to and necessary or convenient to carry out its corporate purposes and powers; *and*
- (5) the acquisition of school buses to be leased or sold to school corporations (as defined in IC 36-1-2-17).*

(b) Except as otherwise provided in this article or by the board, every issue of bonds or notes shall be general obligations of the bank payable out of the revenues or funds of the bank, subject only to agreements with the holders of a particular series of bonds or notes pledging a particular revenue or fund. Bonds or notes may be additionally secured by a pledge of a grant or contributions from the United States, a qualified entity, or a person or a pledge of income or revenues, funds, or money of the bank from any source.

(c) Notwithstanding subsections (a) and (b), the total amount of bank bonds and notes outstanding at any one (1) time, except:

- (1) bonds or notes issued to fund or refund bonds or notes; and
- (2) bonds or notes issued for the purpose of purchasing an agreement executed by a qualified entity under ~~IC 21-1-5;~~ IC 20-49-4;

may not exceed one billion dollars (\$1,000,000,000) for qualified entities described in IC 5-1.5-1-8(1) through IC 5-1.5-1-8(4), ~~and~~ IC 5-1.5-1-8(8) through IC 5-1.5-1-8(11), **and IC 5-1.5-1-8(14).**

1 (d) Notwithstanding subsections (a) and (b), the total amount of  
 2 bank bonds and notes outstanding at any one (1) time, except bonds or  
 3 notes issued to fund or refund bonds or notes, may not exceed two  
 4 hundred million dollars (\$200,000,000) for qualified entities described  
 5 in IC 5-1.5-1-8(5) through IC 5-1.5-1-8(6).

6 (e) Notwithstanding subsections (a) and (b), the total amount of  
 7 bank bonds and notes outstanding at any one (1) time, except bonds or  
 8 notes issued to fund or refund bonds or notes, may not exceed thirty  
 9 million dollars (\$30,000,000) for qualified entities described in  
 10 IC 5-1.5-1-8(7).

11 (f) The limitations contained in subsections (c), (d), and (e) do not  
 12 apply to bonds, notes, or other obligations of the bank if:

13 (1) the bonds, notes, or other obligations are not secured by a  
 14 reserve fund under IC 5-1.5-5; or

15 (2) funds and investments, and the anticipated earned interest on  
 16 those funds and investments, are irrevocably set aside in amounts  
 17 sufficient to pay the principal, interest, and premium on the  
 18 bonds, notes, or obligations at their respective maturities or on the  
 19 date or dates fixed for redemption."

20 Page 2, delete line 1.

21 Page 24, delete lines 5 through 8, begin a new paragraph and insert:

22 **"(f) A development board shall sell the bonds only to the Indiana**  
 23 **bond bank established by IC 5-1.5-2-1 upon the terms determined**  
 24 **by the development board and the Indiana bond bank."**

25 Renumber all SECTIONS consecutively.

(Reference is to HB 1774 as reprinted February 20, 2007.)

**and when so amended that said bill do pass .**

Committee Vote: Yeas 8, Nays 0.

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**Senator Ford, Chairperson**